

LANDBANK launches P1-B loan program SMEs to push financial inclusion

LANDBANK announced a new loan facility to help address the financing needs of around 1.2 million farmers, fishers, micro and small enterprises in unserved areas across the country as part of its intensified efforts to promote greater financial inclusion.

Dubbed as EMBRACE or Empowering Barangays in Remote Areas through Credit and Enterprise, the program has more relaxed features and requirements, and lower interest rates for farmers to engage in eligible projects



like agricultural crop, livestock, and fishery production; as well as agri-enterprise and other livelihood activities.

LANDBANK's Cecilia C. Borromeo said the Bank earmarked P1 billion for this

lending program that is in support of the government's effort of promoting financial inclusion especially in the countryside.

LANDBANK remains the biggest credit provider to small farmers and fishers and local government units, and the biggest lender to microenterprises and SMEs among government financial institutions.

IIB participates in the first securitization of loans to SMEs



The International Investment Bank (IIB) took part in the first securitization of SME loans in

Russia which was implemented by JSC SME Bank and PJSC Promsvyazbank, thus supporting the sustainable financing of small and medium-sized businesses. LLC SPE PSB SME 2015, created for the securitization of Promsvyazbank's SME loan portfolio and protected from bankruptcy under the Russian legislation, issued collateralized debt obligations ("A" class securities). SME Bank acted as the organizer of the issue and the anchor investor, while Baker & McKenzie carried out legal and tax support. The monthly coupon of "A" class obligations was set at 10.25% p.a. with rating from Moody's at Baa3. IIB's share in the issue represents around 7%.

The IIB and SME Bank started collaborating in 2013 after signing a cooperation agreement and a loan agreement, under which the IIB provided resources for SME financing. In August 2015, the multilateral development institution issued its first banking guarantee for RUB 313.7 million in favor of SME Bank to securing obligations of PJSC NDB-Bank (Nizhny Novgorod) as part of the bank receiving resources for SME support.

BDC to invest \$50 million more in women-led start-up tech firms

BDC Capital, the investment arm of the Business Development Bank of Canada (BDC), is injecting \$50 million into women-led technology firms as part of its efforts to support women entrepreneurs.

Of the funds, \$40 million will be used to create a new program for women-led tech firms. The program will include both venture and growth capital and will be open to new and existing BDC Capital clients as well as to graduates of partner accelerators. Initial deployment will start by the end of 2016 and the program will target high-potential and quickly growing female-led tech companies.



BDC Capital will allocate an additional \$10 million to support regional initiatives beginning with the MaRS Investment Accelerator Fund to form a new women's pre-seed and seed fund and increase depth of network and resources for women founders. With its

anchor investment, BDC is seeking to raise additional capital from other interested investors.

The money for the new initiatives exceeds a 2015 BDC commitment to increase its term lending to majority women-owned businesses to at least \$700 million over three years, in addition to its ongoing support to women-founded technology firms and funds.

SIDBI catalyzes MSME start-ups in India

The Small Industries Development Bank of India (SIDBI) has tracked the same path as the Government of India (GOI) in encouraging start-ups in the

micro, small and medium enterprise (MSME) space, ranging from agriculture to social sectors. The GOI's "Start-up India" initiative is aimed at fostering entrepreneurship and promoting innovation by creating an eco-system



that is conducive for the growth of start-ups.

In this regard, the GOI has set up a 'Fund of Fund for Start-ups' (FFS) amounting to INR 100 billion, with SIDBI as fund manager.

The FFS is contributory to the Alternative Investment Funds (AIFs) for equity and equity-linked instruments of various start-ups at early, seed, and growth stages. To facilitate start-up financial support, SIDBI has also set up an on-line platform

www.sidbistartupmitra.in which enables start-up entrepreneurs to get connected with various stakeholders such as incubators, mentors, angel networks, venture capital funds and others. The portal, which is also supported by Department of Science and Technology (DST), has currently registered around 1,400 start-ups, 90 incubators and 80 investors. The portal helps start-ups to explore various government schemes as it also offers, among others, incubation, acceleration, financing options and training programs. SIDBI has also contributed to 88 venture capital funds which has helped catalyze investment of more than INR 56 billion to 472 MSMEs. In addition, a Credit Guarantee Fund for the start-ups is also underway.

ZTBL trains farmers to enhance agribusiness in Pakistan

Zarai Taraqati Bank Limited (ZTBL, formerly the Agriculture Development Bank of Pakistan), has been the sole agriculture development financing institution in Pakistan. The Bank is catering to the banking and financing needs of small farmers and agriculturists of the country along with dissemination of technology and technical knowhow being its prime mandate.



ZTBL has already developed more than 50 model villages (display centers) exhibiting new technologies, cropping methods, and livestock breeds. ZTBL owns a model farm which displays fish farming, bee keeping, ostrich farming and tunnel farming to visitors.

Under the dynamic leadership of ZTBL President, Syed Talat Mahmood, especial emphasis has been laid for technology development which aims at capacity building of the country's farming community, especially the small farmers. The Bank has developed the 'Farmers' Training Pilot Project', which is envisaged to run as pilot initially under technology development for capacity-building initiative, that will introduce the Permanent Raised Beds (PRB) technology, a known technology to boost agriculture productivity yields. With the PRB, ZTBL experts will

train farmers and remain with them throughout the cropping cycle. Aside from crops, this project will also train dairy farmers.

PRB farming system aims at creating and maintaining seed beds with ideal physical and fertility conditions. The objective is to develop root zone for crops that absorbs rain

and irrigation waters more quickly, and makes this easily available to plants. The PRB system retains nutrients from the soil by keeping root materials of previous crops and by practicing minimal soil disturbances using the pre-seeding blade ploughing at 25cm depth (with zero soil inversion) and no tillage crop establishment, i.e., seeding crops with minimal cultivation only in the sown row/raised bed. Both operations retain the roots of the previous crops and do not expose soil organic matter to the atmosphere. Permanent raised beds implies that the bed stays in place for several seasons, in comparison with being ploughed down and reconstructed every season as with more intensive tillage systems. ZTBL's "Farmers' Training Pilot Project" was recipient of Merit Award in the 2016 ADFIAP Outstanding Development Project under the Technology Development Category.

DBS, SBEC cooperate to boost Samoan SMEs

SMEs are big contributors to social and national economic development as they are considered the backbones of many economies. Despite their big contributions, access to finance is still a substantial problem to them, hence the forged partnership between the Development Bank of Samoa (DBS) and Samoa Business Enterprise Centre (SBEC). SBEC is a quasi-government organization set up to provide financial guarantees to develop small business in Samoa, funded by the NZ Government, the Government of Samoa and SBEC business activities.



This DBS-SBEC partnership is the primary driving force behind the growth and development of SMEs in Samoa. DBS is the major partner of SBEC, holding 64% or roughly two-third of all SBEC clients, including 4 commercial banks.

With this partnership, DBS has been able to extend access to credit financing

with sectors like commercial, service, agriculture, cultural and fishing, to promote and support small businesses and financial inclusion at grassroot level.

The scope of the DBS-SBEC partnership has also

extended to special development programs facilitated on behalf of the government of Samoa to support rehabilitation, economic and social development. These programs included the Samoa Agriculture Competitiveness Enhancement Project (SACEP), Small Islands Developing States (SIDS) Conference, and the Cyclone Evan.

DBS has financed \$7,725,978.33 of the \$12,955,384.23 lent to SMEs. In 2015, the partnership has contributed 51% in the agriculture sector, 36% in the service industry, and 13% to other sectors.

DBS's 'Development Partnership' was a recipient of a Merit Award in the 2016 ADFIAP Development Project Awards under the SME Development Category.

TDB's microfinance revolving fund helps in financial inclusion measures



Tonga Development Bank (TDB) has been tasked by the country's Ministry of

Finance to implement the project, 'ADB-JFPR Microfinance Revolving Fund', funded by the Asian Development Bank (ADB) under the Japan Fund for Poverty Reduction (JFPR) Grant Assistance Project 9151 or the 'Social Protection of the Vulnerable in the Pacific' project.

The project, with ADB allocation of USD280,000, aims at empowering the vulnerable communities in Tonga. The Fund supports income generating activities, especially in helping women to become better entrepreneurs for income generation and welfare improvement.

The Fund specifically targets assistance towards unemployed women, widows, and single mothers, aged 18-64. However, men can also be included but the total approval under the Fund should be 80% to women. 50% of the Fund is being allocated for the outer islands and the remaining 50% is allocated for the rural villages in Tongapatu. Key areas of lending to women include: handicraft, manufacturing of imports-substitution products, agriculture, tourism, and income-generating activities (on a case to case basis).

As at the end of September 2015, a total of 373 clients have already received assistance under the Fund. About 70% of the total approval were women, and the highest number of loan approval were for handicrafts.

For the business support component, TDB has been organizing an annual two-day event "Holiday Market Festival", held every December when the demand for buying gifts for Christmas season and peak period for overseas Tongans holidaying in Tonga who wish to take back traditional handicraft with them. The main purpose of this festival is to bring ADB clients together (especially those from the outer islands and rural areas) so that they can showcase, market their products and exchange ideas on how they can improved their products and businesses. For the last two years, this event has been very successful and is perceived to continue its success in the coming years.

The 'ADB-JFPR Microfinance Revolving Fund' project was a recipient of the Merit Award in the 2016 ADFIAP Outstanding Development Project under the Financial Inclusion Category.

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